- 1 Dover market which is 50 -- we own 50 percent of
- 2 it with Southwest Bell.
- 3 Q. To your knowledge did Mr. Thompson or
- 4 his counsel play any role in negotiating the
- 5 management contract for the Atlantic City system?
- A. Yes, they did.
- 7 Q. Can you describe the role they played?
- 8 A. To the best of my knowledge, they
- 9 played an equal role of what the management
- 10 agreement should be.
- 11 Q. Do you know if Mr. Thompson has ever
- expressed any dissatisfaction over the management
- 13 fees?
- A. Yes, he has.
- 15 Q. And when was this approximately, if you
- 16 can recall?
- A. A couple months ago.
- Q. And what has been done, if anything?
- 19 A. I think that we've agreed to lower/
- 20 percent or two.
- Q. Do you know what the basis of his
- 22 dissatisfaction was?
- A. He just thought that it was high
- considering the size of the business.
- Q. How did he express his

1	marked for identification.)
2	BY MR. WEBER:
3	Q. Do you recognize this document?
4	A. This specific document, no.
5	Q. Do you know what this document is?
6	A. This is the license agreement between
7	Cellular One and Ellis Thompson. I've seen this
8	standard license agreement but not this
9	specifical
10	Q. Has the Atlantic City system entered
11	into a license agreement with Cellular One?
12	A. They would have had to because they're
13	using the Cellular One name, yes.
14	Q. Do you know how that decision was made?
15	A. I don't.
16	Q. You played no part in that decision?
17	A. I did not.
18	Q. Does the Atlantic City system have
19	roaming agreements with other markets?
20	A. Yes, it does.
21	Q. Do you know how many?
22	A. I don't know the exact number, but
23	hundreds I'm sure.
24	Q. Does the Atlantic City system have
25	roaming agreements with all other Comcast

- 1 markets?
- 2 A. Yes, it does.
- 3 O. Is there a standard roaming contract
- 4 used by Comcast with its systems?
- 5 A. Yes, there is.
- 6 Q. And is that the same roaming contract
- 7 that is used in the Atlantic City system?
- 8 A. I believe that it is.
- 9 Q. Do you know if there's any differences
- 10 between the roaming agreements between Atlantic
- 11 City in a Comcast market and Atlantic City in a
- 12 non-Comcast market?
- 13 A. There shouldn't be any, the only thing
- 14 that would vary would be the rate. And the rates
- 15 even between Atlantic City -- the only thing that
- would be different would be the rates.
- Q. And how are the rates different?
- 18 A. The rates between Atlantic City and the
- 19 neighboring markets including Vineland which we
- 20 don't own are lower than the standard industry
- 21 rate.
- Q. Now, I believe Mr. Smith told us
- 23 earlier that Comcast also owns a system in
- 24 Aurora, is that Illinois?
- 25 A. Uh-huh.

- 1 Baltimore-Washington. Ellis Thompson did not
- agree to lower his rates with those carriers and
- 3 maintained higher rates.
- 4 O. So there are markets where the Atlantic
- 5 City system has different roaming rates than say
- 6 the Wilmington market has?
- 7 A. Yes, there are.
- 8 Q. Has Mr. Thompson ever directly given
- 9 you instructions?
- MR. GURMAN: Regarding roaming?
- BY MR. WEBER:
- Q. We're into a new area, just
- instructions in general.
- A. Yeah, he would raise questions from
- 15 time to time, but not instructions.
- Q. Has Mr. Lokting ever given you
- 17 instructions?
- A. None that I recall.
- 19 Q. How often are corporate meetings held
- 20 for the Atlantic City system?
- 21 A. Quarterly generally.
- Q. Are you typically in attendance?
- A. Yes, I am.
- Q. Where are these meetings held?
- A. Most of them are held in the

- then would participate in any other discussions,
- 2 capital, marketing, anything.
- 3 Q. What role does Mr. Thompson play at
- 4 these meetings?
- 5 A. You know, he reviews the information,
- 6 asks questions, suggests, you know, possible
- 7 alternatives.
- 8 Q. What do you mean by suggests possible
- 9 alternatives?
- 10 A. For example, if there's a capital plan
- 11 proposed that he views as too extensive, not the
- amount of money that he thinks the business
- should spend, he'll suggest cuts.
- Q. Is it more than suggesting cuts or does
- 15 he actually say cut?
- A. He's overruled the capital budget every
- 17 year.
- 18 Q. Can you explain that in more detail?
- 19 A. Engineering may feel we need say, for
- 20 example, six cell sites for coverage capacity to
- 21 handle all the portable phones that are being
- 22 used nowadays. And that may come to several
- 23 million dollars.
- 24 And, you know Ellis will ask a lot of
- questions about, well, do we really need all

- 1 now.
- Q. Prior to that were you in Philadelphia?
- 3 A. Yes.
- Q. Do you remember your number in
- 5 Philadelphia?
- A. No, I don't.
- 7 Q. I want to start a discussion about how
- 8 decisions are made in the system. If any one of
- 9 the offices, say engineering or budget, has a
- 10 proposal, what process does that go through, if
- any, before it's even presented to Mr. Thompson?
- 12 A. It would be discussed within that
- applicable department; for example, engineering.
- 14 It would be raised to the vice-president of
- engineering, Ray Dombroski, and discussed with
- him and then probably would include Jeff and I
- 17 next, Jeff is legal, you've met Jeff, probably
- 18 include us next, just a general discussion, and
- 19 then it would be communicated to Jeff Thompson
- for further discussion and approval, Ellis
- 21 Thompson.
- Q. He goes by Jeff, though, correct?
- A. Yes, that's what we used to call him.
- Q. Do all proposals have to go through you
- prior to going to Mr. Thompson?

1	if it was under \$5,000, he didn't have to sign i
2	as long as it was within budget and it had been
3	approved.
4	He was to sign anything over \$5,000
5	except for certain recurring items that happened
6	month after month after month, like commissions
7	to the agents, roamer payments to the other
8	carriers, that sort of thing, it was within the
9	contract, it was routine. For those items the
10	limit was \$25,000 and anything over $25,000$, on
11	each of those, he did have to sign. And recently
12	we upped the limit on commissions to agents to
13	\$\mu\$100,000 because of the significant increase in
14	volume of business that's happened recently.
15	MR. GURMAN: When you say we upped it?
16	THE WITNESS: He did, I mean it was
17	with his approval. We requested it because it
18	made business sense because we were just sending
19	more and more checks. And actually there was
20	discussion on that, we had asked for more items,
21	we had asked for all recurring items to be raised
22	$ ot\!\!\!/$ 100,000, and he only approved commissions.
23	BY MR. WEBER:
24	Q. The other recurring items are still at
25	\$ 25,000?

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1	Α.	That's	S	correct.

- Q. You mentioned the roaming rates, the payment under the roaming agreements. What are the other recurring --
- 5 A. The only other items that might fall into that category would be like an interconnect telephone bill.
 - Q. What about lease payments?
- 9 A. They would generally be less than
 10 #5,000, although the office building -- the sales
 11 office might be within that category.
- MR. GURMAN: Could you repeat that question about roamer agreements.
- MR. WEBER: The payments under the roaming agreements were one of the recurring rates or recurring amounts. What is it you want? Do we need to go off the record?
- MR. GURMAN: Off the record.
- 19 (Discussion off the record.)
- MR. WEBER: We can go back on the
- 21 record.

8

- THE WITNESS: By just looking at this,
- one of the other items is inventory purchases,
- 24 that is a normal recurring payment.
- 25 BY MR. WEBER:

- Q. And what are inventory purchases?
- A. We purchase phones that are then in
- 3 turn sold to customers. And they're purchased in
- bulk so the bills fall into that category.
- 5 Q. Who currently has signing authority for
- 6 checks.
- 7 A. The names of people?
- Q. Yes.
- 9 A. Ellis Thompson, myself, Anna Hillman,
- John Moerman, the general manager in Wilmington,
- and it would be the controller, but right now
- there's a new controller, I don't know if he's a
- 13 signer yet.
- Q. And who is that?
- A. He's been there a week, I can't even
- 16 remember his name. It was Ron Andes prior to
- 17 that.
- Q. Does Mr. Moir have signing authority?
- 19 A. Yes, he does.
- Q. Mr. Ruth?
- A. He's no longer with the division.
- Q. Did he when he was previously in the
- 23 division?
- A. Yes, he was the controller at one
- 25 time. He is now in the cable division. Actually

1	Q. Does Ellis Thompson Corporation own any
2	of the sites on which they have antennas? .
3	A. Not that I'm aware of I believe they
4	lease them all.
5	. Q. Does Comcast own any of the sites on
6	which the Atlantic City system uses for a cell
7	site?
8	A. No.
9	MR. WEBER: I'd like to have this
10	marked as Hillman Exhibit 7, it's a one-page
11	letter dated June 23, 1993, with attachments.
12	(Hillman Exhibit No. 7 was
13	marked for identification.)
14	BY MR. WEBER:
15	Q. Do you recognize this document?
16	A. Yes, I do.
17	Q. And can you tell us what it is?
18	A It's a request from Dave Watson,
19	Comcast vice-president of sales and marketing, to
20	Ellis Thompson, care of David Lokting, for
21	approval on a proposed rate plan change in
22	Atlantic City.
23	Q. Did you play any role in the
24	discussions regarding the recommendation for a
25	rate change?

1	Comcast?
2	A. Yes, they are.
3	Q. At this time did Comcast rent out-radio
4	channels to any other cellular carriers?
5	A. No one was in the same position.
6	Q. Is that your handwriting at the top of
7	the page?
8	A. Yes, it is.
9	Q. And you're making a note to Mr. Ruth
10	and Mr. Panetta?
11	A. Uh-huh. 913
12	Q. And what are you telling them?
13	A. Just to make sure that this gets billed
1 4	on a timely basis.
15	MR. WEBER: I'd like to have this
16	marked as Hillman Exhibit 10. It is a one-page
17	memo dated October 2, 1991, with the Bates stamp
1.8	AM 143908.
L 9	(Hillman Exhibit No. 10 was
2 0	marked for identification.)
21	BY MR. WEBER:
2 2	Q. Do you recognize this memo?
2 3	A. Yes, I do.
2.4	Q. Is this your handwriting at the bottom?
· E	

- 1 O. Who is Brian Gibbons?
- A. He was the new vice-president of sales
- 3 and marketing.
- 4. Q. He is no longer with Comcast?
- 5 A. He is in the international division now
- 6 with Comcast.
- 7 Q. And your reference to Jeff and David,
- 8 is that Mr. Thompson and Mr. Lokting?
- 9 A. Yes, it is.
- 10 Q. And why are you telling Mr. Gibbons
- that this should be preapproved by Mr. Thompson
- 12 and Mr. Lokting?
- 13 A. Because Brian was new with the company
- 14 at the time and neglected to seek proper approval
- on this change.
- Q. And was there any follow-up to your
- 17 handwritten note?
- 18 A. Yeah, I would have made sure that it
- 19 was handled properly. And I believe that it was
- 20 handled properly.
- Q. Do you recall speaking to Mr. Brian
- 22 Gibbons directly about this?
- 23 A. Yes, I do.
- Q. And can you recall what he said?
- A. He apologized.

- in order to issue a clean audit report which is
- 2 issued into the second year each year, the
- 3 auditors wouldn't give a qualified opinion if it
- 4 . wasn't extended past December of that year. So
- 5 each year an extension was requested to keep
- 6 pushing it out the following year.
- 7 Q. The cover letter states that you have
- 8 reviewed all the financial information. What is
- 9 your role in reviewing financial information?
- 10 A. Just to participate in providing some
- of the information and to make sure that it's
- 12 accurate.
- 13 Q. Has Mr. Lokting ever called you to
- 14 discuss matters regarding the loan?
- A. Just matters with regard to extending
- it a year or possibly increasing it.
- Q. He has discussed matters possibly
- 18 increasing it?
- 19 A. He's mentioned it.
- Q. Has that ever been sought from the
- 21 bank?
- A. I believe that they have.
- Q. And do you know what outcome there was?
- A. I believe that -- originally the loan
- 25 was I think a million eight or a million nine and

- it was raised either once or twice. And now the
- 2 limit is $p_{2.9}$ million. And I believe that they
- 3 sought raising it again recently.
- 4. Q. Do you know if there was any follow-up
- 5 to this letter?
- 6 A. I don't know. It would have had to
- 7 have been done in order for the audit report to
- 8 have been issued.
- 9 Q. Is there an activation fee associated
- 10 with getting cellular service in the Atlantic
- 11 City market?
- 12 A. Yes, there is.
- Q. How is the activation fee determined?
- 14 A. It's a standard rate.
- 15 O. Is the activation fee the same in all
- 16 the markets?
- 17 A. Rates are different from market to
- 18 market.
- 19 Q. In all the Comcast markets in that
- 20 area, is it the same?
- A. No, Comcast doesn't have a market in
- 22 Atlantic City.
- Q. But I mean the markets in that general
- 24 area?
- A. Wilmington, I believe that they're

- 1 recall?
- 2 A. I think that he increased it to
- 3 somewhere around \$12,000.
- 4 · Q. Not 20,000?
- 5 A. No. he did not.
- Q. Was it because of this letter that he
- 7 did not seek \$\overline{\Phi}_20,000 anymore?
- 8 A. Not necessarily this letter, but there
- 9 was discussion after that.
- 10 Q. And what was said in those discussions?
- 11 A. Just consistent with what's in the
- letter, that we didn't agree; but, if that's what
- he wanted to do, he could do it.
- Q. Did you discuss this with Mr. Thompson
- 15 and Mr. Lokting directly?
- 36 A. I don't believe that I did.
- 17 Q. You were saying we discussed this and I
- 18 want to make sure I understand who the we is.
- 19 A. We would be we, myself, Jeff Smith, and
- 20 Ellis and David.
- Q. Are there any offices in Atlantic City
- for the Comcast business offices?
- A. No, there are not.
- Q. Are there any Ellis Thompson
- 25 Corporation business offices in Atlantic City?

- 1 A. There's an Ellis Thompson sales office 2 in Atlantic City.
- 3 Q. So the employees that work for the
- 4 . Atlantic City system that are in Atlantic City
- 5 would only be in the sales office?
- 6 A. Say that again.
- 7 Q. The only employees that do work for the
- 8 Atlantic City system which happen to be in
- 9 Atlantic City would be in the sales office?
- 10 A. Except for engineers who come in to the
- 11 Atlantic City area to do work on this also.
- Q. Where is the Atlantic City system
- 13 managed from primarily?
- A. Primarily from the Wilmington general
- office where the general staff is.
- MR. GURMAN: Excuse me, Joe. In terms
- of the employees, you aren't suggesting that
- 18 those employees are Ellis Thompson employees? I
- 19 just want to make sure.
- MR WEBER: No.
- MR. GURMAN: Geographically those --
- 22 yeah. Okay.
- BY MR. WEBER:
- Q. And the reason I was asking about who was in Atlantic City, in production we did have

- 1 does an audit every year.
- O. And Deloitte Touche is hired by
- 3 Mr. Thompson?
- 4. A. He approves hiring them. They also do
- 5 Comcast work.
- 6 O. Do they prepare Mr. Thompson's taxes or
- 7 are those prepared by Comcast?
- 8 A. I'm not sure. It's either by Comcast
- 9 or his tax accountant, I'm not sure who does it.
- MR. WEBER: I have nothing further,
- 11 thank you for your time, Ms. Hillman.
- 12 (Discussion off the record.)
- 13 EXAMINATION BY COUNSEL FOR
- 14 AMERICAN CELLULAR NETWORK CORP.
- BY MR. GURMAN:
- Q. When Mr. Weber was asking you about the
- 17 switching rate per minute that is charged to the
- 18 Atlantic City market, are you aware of any rate
- change that might have gone into effect recently?
- 20 A. Yeah, there was discussion about
- 21 lowering that rate recently. And I believe that
- 22 we agreed with Ellis to lower it four and a half,
- four cents, something, I'm not sure what the
- final outcome was, I haven't seen any final
- 25 paperwork on it.

1

1	BEFORE THE FEDERAL COMMUNICATIONS COMMISSION
2	WASHINGTON, D.C. 20554
3	CC DOCKET NO. 94-136 -
4 .	X
5	In re Application of :
6	ELLIS THOMPSON : File No.
7	CORPORATION : 14261-CL-P-134-A-86
8	X
9	Washington, D.C.
10	Tuesday, April 25, 1995
11	Deposition of ANNA E. HILLMAN, a
12	witness herein, called for examination by counsel
13	for Federal Communications Commission in the
14	above-entitled matter, pursuant to agreement, the
15	witness being duly sworn by JAN A. WILLIAMS, a
16	Notary Public in and for the District of
17	Columbia, taken at the offices of Gurman, Kurtis,
18	Blask & Freedman, Suite 500, 1400 16th Street,
19	N.W., Washington, D.C., 20036, at 1:00 p.m.,
20	Tuesday, April 25, 1995, and the proceedings
21	being taken down by Stenotype by JAN A. WILLIAMS
22	and transcribed under her direction.
23	
24	
25	

1	APPEARANCES:
2	•
3	On behalf of The Wireless Telecommunications
4	Bureau of the Federal Communications
5	Commission:
6	JOSEPH PAUL WEBER, ESQ.
7	TERRENCE E. REIDELER, ESQ.
8	The Wireless Telecommunications Bureau
9	Federal Communications Commission
10	1919 M Street, N.W., Room 644
11	Washington, D.C. 20554
12	(202) 418-1317
13	
14	On behalf of Ellis Thompson Corporation:
15	STEVE D. LARSON, ESQ.
16	Stoll, Stoll, Berne, Lokting &
17	Shlachter, P.C.
18	209 Southwest Oak Street
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22	
23	
24	
25	

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1	APPEARANCES: (Continued)
2	
3	On behalf of American Cellular Network
4	Corp.:
5	LOUIS GURMAN, ESQ.
6	Gurman, Kurtis, Blask & Freedman
7	Suite 500
8	1400 16th Street, N.W.
9	Washington, D.C. 20036
10	(202) 328-8200
11	and
12	ALLAN S. HOFFMAN, ESQ.
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15	Washington, D.C. 20036
16	(202) 265-3165
17	
18	On behalf of Telephone & Data Systems, Inc.
19	HERBERT D. MILLER, JR., ESQ.
20	. Koteen & Naftalin
21	1150 Connecticut Avenue
22	Washington, D.C. 20036
23	(202) 467-5700
24	
25	ALSO PRESENT: JEFFREY E. SMITH, ESO.

1	$C \circ N$	T E N T S
2	THE WITNESS	EXAMINATION BY COUNSEL FOR
3	ANNA E. HILLMAN	FEDERAL COMMUNICATIONS
4	•	COMMISSION
5	By Mr. Weber	5
6		AMERICAN CELLULAR NETWORK
7	By Mr. Gurman	71
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9	EXH	I B I T S
10	HILLMAN EXHIBIT NO.	PAGE NO.
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1	PROCEEDINGS
2	Whereupon,
3	ANNA E. HILLMAN,
4 .	business address at Comcast Cellular
5	Communications, Inc., 480 Swedesford Road, Wayne,
6	Pennsylvania, 19087, was called as a witness by
7	counsel for Federal Communications Commission,
8	and having been duly sworn by the Notary Public,
9	was examined and testified as follows:
10	EXAMINATION BY COUNSEL FOR
11	FEDERAL COMMUNICATIONS COMMISSION
12	BY MR. WEBER:
13	Q. Could you state your name, please.
14	A. Anna Hillman'.
15	Q. Have you ever had your deposition taken
16	before?
17	A. No, I have not.
18	Q. I'm sure counsel has probably explained
19	to you what we're going to be doing, but I will
20	be asking you questions, I want you to, of
21	course, answer as fully and as truthfully as
22	possible. If you do not know the answer, you
23	should tell me so instead of guessing at the
24	answer. Be sure you answer verbally as the
25	record cannot pick up a nod or a shake of the

- 1 head.
- 2 A. Okay.
- Q. And, if you don't understand a
- 4 question, just ask me to reask it or to explain
- 5 further what I'm asking you.
- A. Okay.
- 7 Q. Did you do anything to prepare for this
- 8 deposition?
- 9 A. Yes, I did.
- 10 Q. And what did you do?
- 11 A. I met with Lou Gurman.
- 12 Q. Did you review any documents?
- 13 A. Yes, my -- the correspondence files
- that pertain to me.
- Q. What is your business address?
- 16 A. 480 East Swedesford Road in Wayne,
- 17 Pennsylvania, 19087, it's Comcast Cellular
- 18 Communications.
- 19 Q. And what is your educational
- 20 background?
- 21 A. I have an undergraduate degree in
- 22 acting from Villanova University and a master's
- in business administration from Villanova.
- Q. What is your current occupation?
- 25 A. I am senior vice-president of finance

- and administration for Comcast Cellular.
- 2 Q. And how long have you been in that
- 3 position?
- A. With the current title that I have now,
- 5 I guess a year and a half. Prior to that I was
- 6 vice-president of finance and administration for
- 7 the five previous years.
- 8 Q. So you've been with Comcast now for
- 9 over six years?
- 10 A. Over six years, it will be seven in
- 11 July.
- 12 Q. What are your duties and
- 13 responsibilities?
- 14 A. I'm responsible for all of the
- 15 financial matters in the cellular division for
- each of its locations. I'm responsible for the
- 17 human resource department and all of its
- 18 locations in each of the different areas. I'm
- responsible for the MIS department and I'm
- responsible for the customer service department.
- Q. You said MIS department?
- A. Management information systems.
- Q. Do you head up each of those four
- 24 different groups? You mentioned the financial,
- human resources, management information, and

- 1 customer services.
- 2 A. Yes, I do.
- 3 Q. Are there employees in each division
- 4 that report to you?
- 5 A. Yes, there are.
- 6 Q. How many employees report to you?
- 7 A. Directly report to me?
- 8 Q. Directly report to you.
- 9 A. Six. That's not counting people that
- 10 report to them, those are my direct reports.
- 11 Q. Do you report to anybody?
- 12 A. Yes, I do.
- Q. And who do you report to?
- 14 A. The president of the cellular division,
- 15 Don Harris.
- Q. And how many cellular systems are
- 17 within your jurisdiction?
- 18 A. What do you mean by system?
- 19 Q. How many operating cellular systems do
- you work for?
- MR. GURMAN: Markets?
- BY MR. WEBER:
- Q. Markets, yes.
- A. Dover, Wilmington, Atlantic City,
- 25 Philadelphia -- I was going to give a number. Do